

The Minneapolis City Council hereby recommends:

- a. Passage of the accompanying resolution approving the Corcoran Triangle Tax Increment Financing (TIF) Plan, Modification No. 2 to the Hiawatha and Lake Redevelopment Plan and Modification No. 24 to the Model City Urban Renewal Plan for a housing development at 3120 24th Ave S, Minneapolis.
- b. Passage of the accompanying resolution authorizing the issuance of a limited revenue "Pay-As-You-Go" TIF note to Corcoran Triangle Limited Partnership (LP) in a principal amount not to exceed \$1,500,000.
- c. Passage of the accompanying resolution giving preliminary and final approval to the issuance of up to \$15,000,000 in Tax Exempt Multifamily Housing Entitlement Revenue Bonds.
- d. Authorizing a redevelopment contract and other necessary documents related to the recommended actions with Corcoran Triangle LP or affiliated entity.

Certified as an official action of the City Council:

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Reich	X						Glidden				X		
Gordon	X						Cano	X					
Frey	X						Bender	X					
B Johnson	X						Quincy	X					
Yang	X						A Johnson	X					
Warsame	X						Palmisano	X					
Goodman	X												

ADOPTED AUG 21 2015
DATE

ATTEST
CITY CLERK

☒ APPROVED ☐ NOT APPROVED ☐ VETOED

MAYOR HODGES

AUG 26 2015
DATE

17 a

2015R- 353
RESOLUTION
of the
CITY OF
MINNEAPOLIS

By Goodman and Quincy

Approving the Corcoran Triangle Tax Increment Financing Plan, Modification No 2 to the Hiawatha and Lake Redevelopment Plan, and Modification No 24 to the Model City Urban Renewal Plan.

Resolved by the City Council of the City of Minneapolis:

Section 1. Recitals

1.1. Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City"), acting by and through its department of Community Planning and Economic Development, has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the "Project Laws").

1.2. By Resolution 2000R-217 duly adopted May 19, 2000 and approved May 24, 2000, the City approved the Hiawatha and Lake Redevelopment Plan and thereby established the Hiawatha and Lake Redevelopment Project (the "Project Area"). By Resolution 2002R-259 duly adopted July 26, 2002 and approved July 31, 2002, the City approved Modification No 1 to the Hiawatha and Lake Redevelopment Plan.

1.3. By a resolution duly adopted on June 12, 1970, the City Council approved the Model City Urban Renewal Plan, and thereby established the Model City Urban Renewal Area. Subsequent modifications to the Model City Urban Renewal Plan have been prepared and approved by City Council resolutions.

1.4. It has been proposed and the City has caused to be prepared, and this Council has investigated the facts with respect to, the Corcoran Triangle TIF Plan (the "TIF Plan"), Modification No 2 to the Hiawatha and Lake Redevelopment Plan ("Modification No 2"), and Modification No 24 to the Model City Urban Renewal Plan ("Modification No 24") (collectively, the "Plans"). The TIF Plan creates a new housing TIF district (the "TIF District") within the Project Area, designates property to be included in the TIF District, states the City's objectives, describes proposed development activity, and identifies a budget for expenditures. Modification No 2 expands the boundary of the Project Area to include the property contained within the TIF District. Modification No 24 reduces the boundary of the Model City Urban Renewal Area to exclude the property contained within the TIF District. These actions are all pursuant to and in accordance with the Project Laws.

1.5. The City has performed all actions required by law to be performed prior to the adoption of the Plans, including, but not limited to, a review of the Plans by the affected neighborhood group and the City Planning Commission, transmittal of the TIF Plan to the Hennepin County Board of Commissioners and the Board of Education of Special School District No 1 for their review and comment, and the holding of a public hearing upon published notice as required by law.

Section 2. Findings and Election

2.1. The Council hereby finds, determines and declares that the objectives and actions authorized by the Plans are all pursuant to and in accordance with the Project Laws.

2.2. The Council further finds, determines and declares that the area added to the Hiawatha and Lake Redevelopment Project by Modification No 2 is a redevelopment project pursuant to Minnesota Statutes, Section 469.002, Subdivision 14 and that it is a blighted area pursuant to Minnesota Statutes, Section 469.028, Subdivision 3.

2.3. The Council further finds, determines and declares that the TIF District is a housing district pursuant to Minnesota Statutes, Section 469.174, Subdivision 11.

2.4. The Council further finds, determines and declares that the Plans conform to the general plan for the development or redevelopment of the city as a whole. Written comments of the City Planning Commission with respect to the Plans were issued on July 6, 2015, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.5. The Council further finds, determines and declares that the Plans will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the redevelopment of the Project Area and TIF District by private enterprise.

2.6. The Council further finds, determines and declares that the land in the TIF District and Project Area would not be made available for redevelopment without the financial aid and public assistance to be sought.

2.7. The Council further finds, determines and declares that the proposed development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

2.8. The Council further finds, determines and declares that the reasons and facts supporting the findings in this resolution are described in the Plans.

2.9. The Council elects the method of computation provided in Minnesota Statutes, Section 469.177, Subdivision 3, Paragraph (a). The Council acknowledges that, by making this election, the entire fiscal disparity contribution required of the City for development occurring within this district will be taken from outside the TIF District.

2.10. The Council hereby finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Plans.

Section 3. Approval of the Plans

3.1. Based upon the findings set forth in Section 2 hereof, the Plans presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Plans

4.1. After passage and publication of this Resolution, the officers and staff of the City and the City's consultants and counsel are authorized and directed to proceed with the implementation of the Plans, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, plans, resolutions, documents and contracts necessary for this purpose.

4.2. As provided under Minnesota Statutes, Section 469.178, Subdivision 7, this Council hereby authorizes the advance of revenues from other available development revenues of the City in the principal amount needed to offset any negative fund balances incurred with respect to administrative costs related to this TIF District as a result of expenditures incurred prior to or in excess of the collection of tax increment revenue. The interest rate paid on such advances shall be equal to the rate of interest those revenues would have generated in their fund. In no event will the rate of interest charged on the advance exceed the statutory maximum set forth at Minnesota Statutes, Section 469.178, Subdivision 7. The term of this advance shall end upon the termination of the TIF District, although as revenues are available in the fund for the TIF District, the advance shall be offset by such amounts.

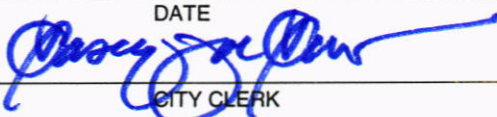
Certified as an official action of the City Council: 

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Reich	X						Glidden				X		
Gordon	X						Cano	X					
Frey	X						Bender	X					
B Johnson	X						Quincy	X					
Yang	X						A Johnson	X					
Warsame	X						Palmisano	X					
Goodman	X												

ADOPTED AUG 21 2015

DATE

ATTEST


CITY CLERK



APPROVED



NOT APPROVED



VETOED

AUG 26 2015

MAYOR HODGES

DATE

17 b

2015R- 354
RESOLUTION
of the
CITY OF
MINNEAPOLIS

By Goodman and Quincy

Authorizing the issuance of a tax increment limited revenue note in substantially the form recited herein in a principal amount not exceeding \$1,500,000 in connection with the Corcoran Triangle Apartments Development.

Whereas, the City of Minneapolis (the "City"), acting pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, has certain powers, including without limitation the powers set forth in Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act") and Minnesota Statutes, Sections 469.174 through 469.1799, as amended (the "TIF Act"); and

Whereas, in furtherance of the objectives of the HRA Act, the City has undertaken programs for the clearance and reconstruction or rehabilitation of blighted, deteriorated, deteriorating, vacant, unused, underused or inappropriately used, areas of the City, and the development of housing for persons of low and moderate incomes, and in this connection the City is carrying out a redevelopment project known as the Hiawatha and Lake Redevelopment Project (the "Project") pursuant to the Hiawatha and Lake Redevelopment Plan adopted May 19, 2000, as amended (the "Redevelopment Plan"); and

Whereas, in furtherance of the Redevelopment Plan, the City has also approved housing tax increment financing district pursuant to the Corcoran Triangle Tax Increment Financing Plan adopted August 21, 2015 (the "TIF Plan"); and

Whereas, pursuant to the TIF Act, and specifically Minnesota Statutes, Section 469.178, subd. 4, the City is authorized to issue its tax increment limited revenue note(s) to finance the public redevelopment costs of the Project; and

Whereas, the City has entered or will enter into a redevelopment contract (the "Redevelopment Contract") with Corcoran Triangle Limited Partnership (the "Developer"), pursuant to which the Developer will develop a 135-unit affordable rental housing project and related site and public improvements in the Project area and the City will provide tax increment financing assistance consistent with the TIF Plan;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

1. That it is desirable that the City issue a tax increment limited revenue note (the "Note") in substantially the following form:

[Form of Note]

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN
CITY OF MINNEAPOLIS

**TAX INCREMENT LIMITED REVENUE NOTE
(Corcoran Triangle Apartments)**

The City of Minneapolis (the "City"), hereby acknowledges itself to be obligated and, for value received, promises to pay to the order of Corcoran Triangle Limited Partnership, a Minnesota limited partnership (the "Developer"), solely from the source, to the extent and in the manner hereinafter provided, the principal amount of this Note, being \$1,500,000 or such lesser amount as may equal the Public Redevelopment Costs, with interest at the Note Rate, in the installments specified in this Note, on the Payment Dates.

Capitalized terms not defined elsewhere in this Note shall have the meanings below:

"Available Tax Increment" means the Tax Increment received by the City during the period preceding each Payment Date, less (i) the amount of Tax Increment, if any, which the City must pay to the school district, the county and the state pursuant to *Minnesota Statutes*, Sections 469.177, Subds. 9, 10, and 11; 469.176, Subd. 4h; and 469.175, Subd. 1a, as the same may be amended from time to time; and (ii) actual administrative costs of the City in an amount not to exceed 10% of the Tax Increment.

"Contract" means that certain Redevelopment Contract by and between the City and the Developer dated [insert date], 2015.

"District" means the Corcoran Triangle Apartments Tax Increment Financing District within the Project.

"Maturity Date" means the earlier of (i) February 1 of the year following the final year of Tax Increment collection from the District; and (ii) the date when the principal and interest amount of this Note has been paid in full.

"Minimum Improvements" means new construction of a 135-unit affordable rental housing project and related site and public improvements as described in the Contract.

"Note Rate" means five and two-tenths percent (4.8%) per annum, compounded semiannually.

"Payment Date" means August 1 of the year of first increment collection from the District and each August 1 and February 1 thereafter until the Maturity Date; provided however that in no event will payments commence before the issuance of the Public Redevelopment Costs Certification and the Certificate of Completion.

"Project" means the Hiawatha and Lake Redevelopment Project.

"Property" means the real property legally described in the attached **Exhibit A**.

"Public Redevelopment Costs" means actual Public Redevelopment Costs as defined in and approved pursuant to the Contract.

"Public Redevelopment Costs Certification" means a certificate in substantially the form attached to the Contract, by which the City certifies the Public Redevelopment Costs pursuant to the terms of the Contract.

"Tax Increment" means that portion of the property taxes generated by the Property and Minimum Improvements that is actually remitted to the City as tax increment under the Tax Increment Act.

"Tax Increment Act" means *Minnesota Statutes*, Section 469.174-469.1799, as amended, or any successor statutes applicable to the District.

On each Payment Date, the City shall pay the Developer an installment equal to the lesser of (i) the Available Tax Increment or (ii) the amount necessary to pay the accrued unpaid interest and the unpaid principal amount of this Note in full. If an Event of Default by the Developer has occurred under the Contract, then the City may suspend payment on this Note until (a) the Event of Default has been cured or (b) prior to the issuance of the Certificate of Completion, the Contract and the City's obligations under this Note have been terminated. If the City suspends payments due under this Note, the City shall make the suspended payments to the Developer within ten (10) business days after the Developer has cured the Event of Default. The City is not obligated to pay interest on the amount of the suspended payments between the date the payment is suspended and the last date on which the City is obligated to make the suspended payments to the Developer. If the Developer fails to pay all or a portion of the property taxes due and owing on the Minimum Improvements, then upon such failure to pay, no interest as required by this Note shall accrue on an amount equal to the amount of the Available Tax Increment that would have been paid to the City had such property tax amounts been paid.

Interest shall accrue on the initial principal amount of this Note from the date of issue of the Public Redevelopment Costs Certification. Each payment under this Note, whether a scheduled payment or any other payment, shall be applied first to current interest, then to accrued unpaid interest and then to the unpaid principal amount of this Note.

On the Maturity Date, this Note shall be deemed paid in full and the City shall have no further obligation under this Note even if the aggregate of the Available Tax Increment that has actually been paid to the Developer on the Payment Dates is less than the full principal and interest amount of this Note. The obligation of the City to make any scheduled payment shall terminate if and to the extent that the full principal and interest amount of this Note has been paid in full. This Note may be prepaid in full or in part at any time without penalty.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by wire transfer pursuant to written wire instructions provided by the Developer or by check or draft made payable to the Developer and mailed to the Developer at the address set forth in the Contract or such other address as the Developer shall provide in writing to the City's notice address in the Contract.

The Note is a special and limited obligation and not a general obligation of the City, which has been issued by the City pursuant to and in full conformity with the Constitution and laws of the State of

Minnesota, including *Minnesota Statutes*, Section 469.178, subdivision 4, to aid in financing a "project", as therein defined, of the City consisting generally of defraying certain public redevelopment costs incurred by the Developer within and for the benefit of the Project.

THE NOTE IS NOT A DEBT OF THE STATE OF MINNESOTA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF MINNEAPOLIS, MINNESOTA, EXCEPT THAT THE CITY SHALL BE OBLIGATED TO MAKE PAYMENTS FROM AVAILABLE TAX INCREMENT AS SET FORTH HEREIN, AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, SHALL BE LIABLE ON THE NOTE, EXCEPT FOR THE CITY'S OBLIGATION TO MAKE PAYMENTS FROM AVAILABLE TAX INCREMENT AS SET FORTH HEREIN, NOR SHALL THE NOTE BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN AVAILABLE TAX INCREMENT AS SET FORTH HEREIN.

This Note shall not be transferred to any person, unless the City has been provided with an opinion of counsel acceptable to the City that such transfer is exempt from registration and official statement delivery requirements of federal and applicable state securities law and an investment letter reasonably acceptable to the City.

This Note shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except the Available Tax Increment, and then only to the extent and in the manner herein specified.

The Developer shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance of registration thereof or otherwise.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and the laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; that this Note is issued pursuant to the Tax Increment Act; and that this Note together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Minneapolis, by action of its Mayor and City Council, has caused this Note to be executed by the manual signature of its Finance Officer, and has caused this Note to be dated _____, 2012.

CITY OF MINNEAPOLIS

By _____
Kevin Carpenter
Its Finance Officer

Approved as to form:

Assistant City Attorney
Developer's Federal Tax Id. No. _____

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EXHIBIT A TO NOTE

[Legal Description of the Property to be Inserted at Closing]

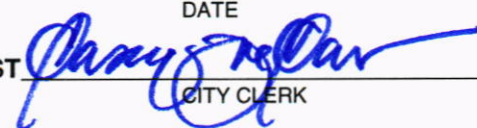
2. Be It Further Resolved that the form of the Note is hereby approved and shall be executed by the Finance Officer in substantially the form on file, with such changes therein not inconsistent with law as the Finance Officer may approve, which approval shall be conclusively evidenced by the execution thereof.
3. Be It Further Resolved that all actions of the members, employees and staff of the City heretofore taken in furtherance of the issuance of the Note are hereby approved, ratified and confirmed.
4. Be It Further Resolved that the sale of said Note to the Developer is hereby approved, and the Note is hereby directed to be sold to the Developer, upon the terms and conditions set forth in the Redevelopment Contract.
5. Be It Further Resolved that the Finance Officer is hereby authorized and directed to execute such other documents, agreements and certificates as may be required in connection with the Note.
6. Be It Further Resolved that no provision, covenant or agreement contained in the aforementioned documents, the Note or in any other document related to the Note, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the tax increment revenues which are to be applied to the payment of the Note, as provided therein and in the Redevelopment Contract. The Note shall not constitute a charge, lien or encumbrance, legal or equitable upon any property or funds of the City except that revenue and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holders of the Note shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Note or the interest thereon, or to enforce payment hereon against any property of the City. The Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.
7. Be It Further Resolved that the Note, when executed and delivered, shall contain a recital that it is issued pursuant to the TIF Act, and such recital shall be conclusive evidence of the validity of the Note and the regularity of the issuance thereof, and that all acts, conditions and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Note and to the execution of the aforementioned documents to happen, exist and be performed precedent to and in the enactment of this resolution, and precedent to issuance of the Note and precedent to the execution of the aforementioned documents have happened, exist and have been performed as so required by law.

8. Be It Further Resolved that this resolution shall be in full force and effect from and after its date of publication.

Certified as an official action of the City Council: 

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Reich	X						Glidden				X		
Gordon	X						Cano	X					
Frey	X						Bender	X					
B Johnson	X						Quincy	X					
Yang	X						A Johnson	X					
Warsame	X						Palmisano	X					
Goodman	X												

ADOPTED AUG 21 2015
DATE

ATTEST 
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☒ APPROVED ☐ NOT APPROVED ☐ VETOED

 AUG 26 2015
MAYOR HODGES DATE

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2015R- 355
RESOLUTION
of the
CITY OF
MINNEAPOLIS

By Goodman and Quincy

Authorizing the issuance, sale, and delivery of Multifamily Housing Revenue Notes (Corcoran Triangle Limited Partnership Project), Series 2015; approving the form of and authorizing the execution and delivery of such obligations and related documents; and providing for the security, rights, and remedies with respect to such obligations.

Resolved by the City Council of the City of Minneapolis:

1. **STATUTORY AUTHORIZATION.** The City of Minneapolis, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota (the "City"), is authorized by Minnesota Statutes, Chapter 462C, as amended (the "Act"), to carry out the public purposes described in the Act by issuing its revenue bonds to provide funds to finance multifamily housing developments within its boundaries. In the issuance of revenue bonds and in the making of loans to finance multifamily housing developments, the City may exercise, within its corporate limits, any of the powers that the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended.
2. **THE BORROWER AND THE PROJECT.** Corcoran Triangle Limited Partnership, a Minnesota limited partnership (the "Borrower"), has requested that the City participate in the financing of the development, acquisition, construction, and equipping of a 135-unit multifamily rental housing development, and facilities functionally related and subordinate thereto, to be located at 3120 - 24th Avenue South in the City (the "Project"), through the issuance of conduit revenue obligations the proceeds of which are to be loaned by the City to the Borrower. The Project will be owned and operated by the Borrower or an affiliate, related person, successor, or assign of the Borrower.
3. **THE HOUSING PROGRAM.** A Program for a Multifamily Housing Development (the "Housing Program") with respect to the Project and the proposed issuance of conduit revenue obligations to finance the Housing Program and the Project was prepared in accordance with the requirements of Section 462C.03, subdivision 1a, of the Act, and is on file with the City. The Housing Program was submitted to the Metropolitan Council for its review and comments in accordance with the requirements of the Act. The City received a letter from the Metropolitan Council providing its comments to the Housing Program and the Project.
4. **PUBLIC HEARING AND PRELIMINARY RESOLUTION.** The Community Development and Regulatory Services Committee of the Minneapolis City Council held a public hearing on Tuesday, August 11, 2015, with respect to the Housing Program and the proposed issuance of conduit revenue obligations of the City to finance the Project. The public hearing was conducted at least fifteen (15) days after publication of a notice of such public hearing in the official newspaper of the City and in a newspaper of general circulation in the City. Following the public hearing, the Community Development and Regulatory Services Committee approved the Housing Program and the proposed financing and recommended the adoption of this resolution by the City Council.

5. APPROVAL OF SERIES 2015 NOTES AND RELATED FINANCING DOCUMENTS. For the purpose of financing a portion of the costs of the development, acquisition, construction, and equipping of the Project and related costs, there is hereby authorized the issuance, sale, and delivery of conduit revenue obligations of the City, in an aggregate principal amount not to exceed \$15,000,000, for the benefit of the Borrower. The obligations are to be designated as Multifamily Housing Revenue Notes (Corcoran Triangle Limited Partnership Project), Series 2015 (the "Series 2015 Notes"). The Series 2015 Notes may be given a different designation in the discretion of the Finance Officer of the City (the "Finance Officer"). The Series 2015 Notes may be issued in any number of series, as determined in the discretion of the Finance Officer. If issued in two series, the Series 2015 Notes may be designated as: (i) Multifamily Housing Revenue Note (Corcoran Triangle Limited Partnership Project), Series 2015A (the "Series 2015A Note"); and (ii) Multifamily Housing Revenue Note (Corcoran Triangle Limited Partnership Project), Series 2015B (the "Series 2015B Note"). The Series 2015A Note is expected to be issued as a fixed-rate obligation, maturing in approximately thirty (30) years, with a mandatory call in approximately seventeen (17) years, and in a principal amount to be determined by the City, the Borrower, and the purchaser of the Series 2015A Note. The Series 2015B Note is expected to be issued as a variable-rate obligation, maturing in approximately twenty-eight (28) months, and in a principal amount to be determined by the City, the Borrower, and the purchaser of the Series 2015B Note. The Finance Officer, in his discretion, may adjust the terms of each Series 2015 Note, including the principal amount of each Series 2015 Note, as long as the aggregate principal amount of the Series 2015 Notes does not exceed \$15,000,000. The Series 2015 Notes are to be sold to one or more banks or other financial institutions (the "Lender") in a private placement under terms and conditions negotiated between the Borrower and the Lender. The proceeds derived from the sale of the Series 2015 Notes are to be loaned by the City to the Borrower under the terms of a Loan Agreement, dated on or after August 1, 2015 (the "Loan Agreement"), between the City and the Borrower. The Loan Agreement is hereby approved and the Finance Officer is hereby authorized to execute and deliver the Loan Agreement on behalf of the City. All of the provisions of the Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Loan Agreement shall be substantially in the form now on file with the City with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determination.

The proceeds of the loan to be made under the terms of the Loan Agreement (the "Loan") are hereby authorized to be applied to the payment of a portion of the costs of the development, acquisition, construction, and equipping of the Project and related costs.

6. LIMITED REVENUE OBLIGATIONS OF THE CITY. The City acknowledges, finds, determines, and declares that the issuance of the Series 2015 Notes is authorized by the Act and is consistent with the purposes of the Act and that the issuance of the Series 2015 Notes, and the other actions of the City under this resolution and the Loan Agreement constitute a public purpose and are in the interests of the City. In authorizing the issuance of the Series 2015 Notes for the financing of the Project and related costs, the City's purpose is, and the effect thereof will be, to promote the public welfare of the City and its residents by providing multifamily housing developments for low and moderate income residents of the City and otherwise furthering the purposes and policies of the Act. The Series 2015 Notes will be issued under the terms of this resolution. The Series 2015 Notes and the interest on the Series 2015 Notes: (i) shall be payable solely from the revenues pledged therefor under the terms of the Series 2015 Notes and the Loan Agreement; (ii) shall not constitute a debt of the City within the meaning of any

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constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City's interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the City.

7. TERMS OF THE SERIES 2015 NOTES. The City hereby authorizes the Series 2015 Notes to be issued as "tax-exempt bonds" the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes. In accordance with the provisions of Minnesota Statutes, Chapter 474A, as amended ("Chapter 474A"), and Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the City shall: (i) allocate to the Series 2015 Notes a portion of its "entitlement issuer allocation" granted under the provisions of Minnesota Statutes, Chapter 474A, as amended ("Chapter 474A"), and Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"); or (ii) allocate to the Series 2015 Notes a portion of its "carryforward allocation"; or (iii) allocate to the Series 2015 Notes a portion of its entitlement issuer allocation and a portion of its carryforward allocation. The Series 2015 Notes, substantially in the forms now on file with the City, are hereby approved with the amendments referenced herein. All of the provisions of the Series 2015 Notes, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2015 Notes shall bear interest at the fixed or variable rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be issued in the aggregate principal amounts, shall be subject to redemption prior to maturity, shall be in such forms, and shall have such other terms, details, and provisions as are prescribed in this resolution, the forms of the Series 2015 Notes, and the Loan Agreement, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Series 2015 Notes, the stated maturities of the Series 2015 Notes, the interest rates on the Series 2015 Notes, and the terms of redemption of the Series 2015 Notes) as the Finance Officer, in his discretion, shall determine.

The Series 2015 Notes shall not constitute general or moral obligations of the City but shall be special, limited obligations of the City payable solely from the revenues provided by the Borrower under the terms of the Loan Agreement and from the revenues and security pledged, assigned, and granted under the terms of this resolution, the Series 2015 Notes, the Loan Agreement, and any other security documents provided by the Borrower or any other party to secure the timely payment of the principal of, premium, if any, and interest on the Series 2015 Notes. As provided in the Loan Agreement, the Series 2015 Notes shall not be payable from nor charged upon any funds other than the revenue pledged to their payment, nor shall the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Series 2015 Notes shall ever have the right to compel any exercise by the City of any taxing powers of the City to pay the Series 2015 Notes or the interest or premium thereon, or to enforce payment thereof against any property of the City except the interests of the City in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Lender under the terms of an Assignment of Loan Agreement, to be dated on or after August 1, 2015 (the "Assignment of Loan Agreement"), between the City, the Lender, and the Borrower. All of the provisions of the Assignment of Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Assignment of Loan Agreement shall be substantially in the form now on file with the City with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determination.

The Series 2015 Notes shall recite that the Series 2015 Notes are issued under the Act, and that the Series 2015 Notes, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Series 2015 Notes shall not constitute a debt of the City within the meaning of any constitutional or statutory limitations.

8. SECURITY. The City acknowledges and hereby approves any one or more of the following to be provided as security for the payment of the obligations of the Borrower under the Loan Agreement, and the payment of the principal of, premium, if any, and interest on the Series 2015 Notes: (i) a Mortgage, Security Agreement, and Fixture Financing Statement, dated on or after August 1, 2015 (the "Mortgage"), executed and delivered by the Borrower to the City, which Mortgage will be assigned to the Lender under the terms of an Assignment of Mortgage, Security Agreement, and Fixture Financing Statement, dated on or after August 1, 2015 (the "Assignment of Mortgage"), executed and delivered by the City to the Lender; (ii) an Assignment of Leases and Rents, dated on or after August 1, 2015 (the "Assignment"), between the Borrower and the Lender; (iii) a Guaranty, dated on or after August 1, 2015 (the "Guaranty"), from Stephen B. Wellington, Jr. or another or other guarantors; (iv) a Disbursing Agreement, dated on or after August 1, 2015 (the "Disbursing Agreement"), between the Borrower, the Lender, and a disbursing agent selected by the Borrower and the Lender; (v) an Assignment of Capital Contributions, dated on or after August 1, 2015, between the Borrower and the Lender; (vi) a Collateral Assignment of Architect Contract, dated on or after August 1, 2015, between the Borrower and the Lender; (vii) a Collateral Assignment of Construction Contract, dated on or after August 1, 2015, between the Borrower and the Lender; and (viii) such other security documents as the Borrower, the Lender, and other parties agree are necessary or appropriate to ensure timely payment of the Loan and the Series 2015 Notes. All such security documents may be given such other designations as determined by the City, the Borrower, and the Lender, and shall be substantially in the forms authorized and approved by the Lender and the Borrower.

9. THE REGULATORY AGREEMENT. To ensure continuing compliance with certain rental and occupancy restrictions imposed by the Act, Chapter 474A, and Section 142(d) of the Code, and to ensure continuing compliance with certain restrictions imposed by the City, the Finance Officer is hereby authorized and directed to execute and deliver a Regulatory Agreement, dated on or after August 1, 2015 (the "Regulatory Agreement"), between the City, the Borrower, and the Lender. The Regulatory Agreement shall be substantially in the form now on file with the City which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution thereof by the Finance Officer shall be conclusive evidence of such determinations. All of the provisions of the Regulatory Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

10. OTHER CITY DOCUMENTS. The Finance Officer is hereby designated as the representative of the City with respect to the issuance of the Series 2015 Notes and the transactions related thereto. The Finance Officer is authorized, upon request, to furnish certified copies of all proceedings and records of the City relating to the Series 2015 Notes, and such other affidavits and certificates as may be required to show the facts relating to the Series 2015 Notes as such facts appear from the books and records in the custody and control of the City; and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements

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contained therein. The Finance Officer is hereby further authorized to execute and deliver, on behalf of the City, all other certificates, instruments, and other written documents that may be requested by bond counsel, the Lender, the Borrower, or other persons or entities in conjunction with the issuance of the Series 2015 Notes and the expenditure of the proceeds of the Series 2015 Notes. Without imposing any limitations on the scope of the preceding sentence, the Finance Officer is specifically authorized to execute and deliver such other documents and certificates as are necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2015 Notes, including one or more consents to the assignment of a redevelopment agreement, tax increment revenues, and other funds made available to the Borrower and the Project by the City and Hennepin County; an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, with respect to the Series 2015 Notes; an endorsement to any tax certificate as to arbitrage, rebate, and other federal tax matters executed and delivered in connection with the issuance of the Series 2015 Notes, appropriate amendments to the Housing Program, and all other documents and certificates as the Finance Officer shall deem to be necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2015 Notes. The Finance Officer is hereby further authorized and directed to execute and deliver all other instruments and documents necessary to accomplish the purposes for which the Series 2015 Notes are to be issued and the Loan Agreement, the Assignment of Loan Agreement, and the Regulatory Agreement are to be executed and delivered. The preparation and filing of Uniform Commercial Code financing statements with respect to the assignment of the interests of the City in the Loan Agreement (excluding any unassigned rights as provided in the Loan Agreement), are hereby authorized. The City hereby authorizes Kennedy & Graven, Chartered, as bond counsel to the City ("Bond Counsel"), to prepare, execute, and deliver its approving legal opinions with respect to the Series 2015 Notes.

11. DISCLOSURE DOCUMENTS. It is not expected that any disclosure documents will be prepared in connection with the issuance and sale of the Series 2015 Notes. In the event that an official statement or other disclosure document is prepared relating to the offer and sale of the Series 2015 Notes (the "Disclosure Documents"), the City will not participate in the preparation or distribution of such Disclosure Documents and will make no independent investigation with respect to the information contained in the Disclosure Documents and the City assumes no responsibility for the sufficiency, accuracy, or completeness of such information.

12. SUBSEQUENT AMENDMENTS. On any date subsequent to the date of issuance of the Series 2015 Notes, the Finance Officer is hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this resolution on behalf of the City if, after review by and consultation with the City Attorney and Bond Counsel, the Finance Officer determines that the execution and delivery of such amendment or supplement is in the interests of the City. The Finance Officer may impose any terms or conditions on his execution and delivery of any such amendment or supplement as the Finance Officer deems appropriate.

13. LIMITATIONS OF LIABILITY. No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council of the City, or any officer, agent, or employee of the City in that person's individual capacity, and neither the City Council of the City nor any officer, agent, or employee executing the Series 2015 Notes shall be personally liable on the Series 2015 Notes or be subject to any personal liability or accountability by reason of the issuance thereof. No provision, covenant, or agreement contained in the aforementioned documents, the Series 2015 Notes, or in any other document relating to the Series 2015 Notes, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to a general or moral obligation of the City or any

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pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement, which are to be applied to the payment of the Series 2015 Notes, as provided therein.

Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the City, and any holders of the Series 2015 Notes issued under the provisions of this resolution, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the City, the Borrower, the Lender, and any beneficial owners from time to time of the Series 2015 Notes issued under the provisions of this resolution.

14. SEVERABILITY. In case any one or more of the provisions of this resolution, other than the provisions limiting the liability of the City, or of the aforementioned documents, or of the Series 2015 Notes issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2015 Notes, but this resolution, the aforementioned documents, and the Series 2015 Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

15. VALIDITY OF THE SERIES 2015 NOTES. The Series 2015 Notes, when executed and delivered, shall contain a recital that they are issued in accordance with the Act, and such recital shall be conclusive evidence of the validity of the Series 2015 Notes and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Series 2015 Notes, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

16. ADDITIONAL ACTIONS. The officers of the City, the City Attorney, Bond Counsel, other attorneys, and other agents or employees of the City are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, or the Series 2015 Notes, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Series 2015 Notes, the aforementioned documents, and this resolution.

17. DESIGNATION AS PROGRAM BONDS. The Series 2015 Notes are hereby designated "Program Bonds" and are determined to be within the "Housing Program" and the "Program," all as defined in Resolution 88R-021 of the City adopted January 29, 1988, and as amended by Resolution 1997R-402 of the City adopted December 12, 1997.

18. FEES AND INDEMNIFICATION. The Borrower has agreed to pay the administrative fees of the City in accordance with the applicable policies and procedures of the City. It is hereby determined that any and all costs incurred by the City in connection with the financing of the Project will be paid by the Borrower. It is understood and agreed by the Borrower that the Borrower shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the City) arising with respect to the Project and the Series 2015 Notes, as provided for and agreed to by and between the Borrower and the City in the Loan Agreement. The financing transaction represented by the Series 2015 Notes is subject to all existing policies and procedures of the City and is also subject to

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any conduit bond policies and procedures subsequently adopted by the City to the extent the provisions thereof are intended to be applied retroactively to conduit revenue obligations issued prior to the adoption of such conduit bond policies and procedures.

19. EFFECTIVE DATE. This resolution shall take effect and be in force from and after its approval and publication. In accordance with the terms of Chapter 4, Section 9, of the Charter of the City, only the title of this resolution and a summary of this resolution conforming to Minnesota Statutes, Section 331A.01, subdivision 10, shall be published in the official paper of the City.

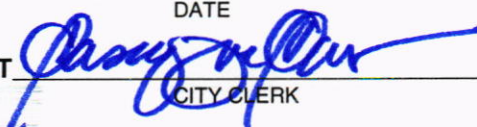
Certified as an official action of the City Council: 

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Reich	X						Glidden				X		
Gordon	X						Cano	X					
Frey	X						Bender	X					
B Johnson	X						Quincy	X					
Yang	X						A Johnson	X					
Warsame	X						Palmisano	X					
Goodman	X												

ADOPTED AUG 21 2015

DATE

ATTEST


CITY CLERK

☒ APPROVED ☐ NOT APPROVED ☐ VETOED

MAYOR HODGES

AUG 26 2015

DATE